Calendar No. 766

101ST CONGRESS *2d Session*	SENATE	REPORT 101-415

NATIONAL CAPITAL TRANSPORTATION AMENDMENTS ACT OF 1990

REPORT

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 612

TO AMEND THE NATIONAL CAPITAL TRANSPORTATION ACT OF 1969 RELATING TO THE WASHINGTON METRORAIL SYSTEM

together with

ADDITIONAL AND MINORITY VIEWS

AUGUST 2 (legislative day, JULY 10), 1990.—Ordered to be printed

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REPORT
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NATIONAL CAPITAL TRANSPORTATION AMENDMENTS ACT OF 1990

AUGUST 2 (legislative day, JULY 10), 1990.—Ordered to be printed

Mr. GLENN, from the Committee on Governmental Affairs, submitted the following

REPORT

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany S. 612]

The Committee on Governmental Affairs, to which was referred the bill (S. 612) to amend the National Capital Transportation Act of 1969 relating to the Washington Metrorail System, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

I. PURPOSE AND SUMMARY

The purpose of S. 612 is to authorize the appropriation of up to $2.16 billion in Federal grant funds, beginning in fiscal year 1991, for construction by the Washington Metropolitan Area Transit Authority [WMATA] of the remaining 13.5 miles of the planned Washington Metrorail system. S. 612 amends the National Capital Transportation Act of 1969, thereby renewing the authorization now contained in Public Law 96-184, know as "Stark-Harris." Like Stark-Harris, S. 612 requires local governments to match Federal construction funding, in an amount as high as $540 million.

Throughout its history, Metrorail construction has represented a unique Federal commitment, in recognition of Congress' mandate for a monumental mass transit system for the National Capital region. The system is critically important to millions of Federal workers and tourists from all over the United States. When Con-

gress passed Stark-Harris in 1979, it meant that legislation to provide for the completion of the full Metro Adopted Regional System, now planned to be 103.5 miles.

However, due to construction delays and cost escalations largely beyond WMATA's control, Stark-Harris can fund only 89.5 miles of Metro when it expires at the end of fiscal year 1991. A major reason that the original Metro construction schedule could not be adhered to, within appropriated amounts, was that the Stark-Harris payout schedule was not followed by the Federal Government.

Therefore, the Committee recommends passage of S. 612 with the goal of completing the Metro system within an 11-year period. With all respect for the argument that Metro should seek funding from the regulator Urban Mass Transit program, a majority of Committee members agrees that distinct Federal funding for "America's Subway" remains consistent with its congressional mandate and Federal commitment, and is more fair to other municipalities competing for regular mass transit funds.

II. Background and Need for Legislation

The Washington Metrorail system had its origin in legislation passed by Congress during the Eisenhower administration. Pursuant to studies conducted under authority of the National Capital Planning Act of 1952 (66 Stat. 781), the National Capital Transportation Act of 1960 (74 Stat. 537) mandated "an improved transportation system for the National Capital region." Congress characterized such a system as:

> . . . essential for the continued and effective performance of the functions of the Government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital.

Congress therefore declared it "the continuing policy and responsibility of the Federal Government, in cooperation with State and local governments of the National Capital region, to encourage and aid in the planning and development of a unified and coordinated transportation system for the National Capital region."

Following the signing of the National Capital Transportation Act of 1965, the Washington Metropolitan Area Transportation Authority [WMATA] was created to oversee the building and operation of the Metro system commissioned by Congress. By 1968, WMATA had approved an "adopted regional system" of 97.2 miles, consisting of 38.4 miles in the District of Columbia, 29 miles in Virginia, and 29 miles in Maryland.

Financing for Metro was put in place by the National Capital Transportation Act of 1969, which authorized Federal and matching local funds for construction. Even with the creation of the Urban Mass Transit Administration, the Washington Metro continued through successive Administrations to be deemed worthy of a unique and separate Federal commitment. The reasons were summarized by a witness who testified in support of the 1969 Act,

Deputy Director of the Bureau of the Budget Phillip S. Hughes, who explained the "special Federal interest in the National Capital region":

> The presence of the seat of government in Washington is, of course, the source of the Federal interest in the District of Columbia and the surrounding metropolitan area. This Federal interest, unique to this area among all American cities, is the principal reason that historically the rapid transit needs of the National Capital region have been pursued through separate legislation rather than under the nationwide Urban Mass Transportation Act.

This was reiterated in 1976 after Metrorail had come under the jurisdiction of the Urban Mass Transit Administration itself. Administrator Patricelli acknowledged that "[t]he project appropriately enjoys a special relationship with the Federal Government, and UMTA intends to honor that relationship."

Thus, when the Stark-Harris legislation was passed in 1979 (Public Law 96-184), it provided authorization through fiscal year 1991 for the appropriation of $1.7 billion to complete the adopted regional system, now set at 101 miles. This Federal contribution was to be matched by a State and local government share of 20 percent. Several years later, in the National Capital Transportation Act of 1986, Congress repeated that Washington's regional public transit system was essential "(1) to the continued and effective functioning of the Government of the United States; (2) for the welfare of the District of Columbia; (3) for the orderly growth, planning, and development of the National Capital region; and (4) for the preservation of the beauty and dignity of the Nation's Capital."

Today, the Washington Metrorail system is well along on its unique mission. It is a beautiful and monumental system, as Congress decreed, and was honored by the American Public Transit Association in 1988 as the Outstanding Public Transit System in North America. It removes an estimated 100,000 vehicles per day from the central business area, reducing traffic congestion and pollution. In its 1988 fiscal year, Metrorail covered 75 percent of its operating costs at the farebox and, with bus service, covered 53 percent of its costs overall—one of the highest revenue-to-cost recoveries in the nation.

Metro serves a large number of the 400,000 Federal workers in the Nation's Capital, contributing significantly to the efficient operation of the national government. Moreover, Metro is essential to the needs of the 19 million Americans who visited the Nation's Capital in 1989 to see the monuments and museums of their democracy. The 600,000 riders carried by Metro on Inauguration Day, 1989, are yet another reminder of Metro's importance during special events associated with the Nation's Capital.

However, Stark-Harris will not have funded the completion of the adopted regional system, as Congress intended, when it expires at the end of fiscal year 1991. The remaining $108 million in Stark-Harris funds will serve only to complete an additional 19.5 miles of Metrorail, expanding its capacity to 89.5 miles overall. The reason is that events and delays in construction have contributed to unforeseen cost escalation. For example, inflation alone, which at the

time Stark-Harris was passed was expected to account for 20 percent of the ultimate cost of construction, is now expected to equal over 60 perent of the total.

A chief factor in Metro's construction delays has been disregard of the original Stark-Harris payout schedule. That schedule anticipated annual appropriations of from $325 to $375 million, with Stark-Harris authorized funding completed by 1987. However, understandable concerns over deficit reduction and budget priorities during the 1980's resulted in considerably reduced appropriations for Metro during those years. In fact, the Administration's budget proposal for one fiscal year during this period contained no funding whatsoever for Metro.

In addition, UMTA's imposition of Federal requirements, including Metro's execution of a Full Funding Agreement, have contributed to delays in carrying out construction. The funding agreement, for example, requires that WMATA have all funding and appropriations in place for each planned "operable segment" of the system before commencing construction on it. This leads to costly delays, as Metro may require several appropriations cycles to put all of the funding in place for a segment. Additional Federal requirements for unforeseen facilities, including for elderly and handicapped patrons, and environmental regulations, also account for delay. Lastly, litigation, redesign, labor disputes, and realignment of the system are partly responsible for delay.

Therefore, S. 612 authorizes $2.16 billion in Federal contributions toward the completion of the adopted regional system with a total length of 103 miles. The 13.5 miles of track remaining to be constructed are critical to the efficient operation of the system as planned.

For instance, the construction authorized by S. 612 will include the central segment of the Green Line, which would serve the most transit-dependent population in the region. Without it, the northern and southern segments of the Green Line would feed into and increase ridership pressure on other existing lines.

S. 612 also provides for final extension of the Red Line from Wheaton to Glenmont, where Metro access to a storage yard is intended. The Yellow Line would be extended, in Virginia, to the Franconia/Springfield terminus which is critical to reducing traffic on the I-95 and I-395 highway corridors into Washington.

Considerations of equity also figure in the arguments in favor of Metro reauthorization with significant Federal funding. Throughout the years of Metro construction, the State and local government signatories to the local funding agreement have achieved an impressive record of cooperation and timely contribution of their respective shares of funding, regardless in which jurisdiction construction might be taking place at the time. Under S. 612, not only will a significant portion of construction be targeted for long underserved sections of the District of Columbia, but the District will bear a major portion—42 percent—of the local funding share. The District, and the other affected jurisdictions, deserve to affirmation of the same level of Federal commitment and resources which has characterized the Metrorail project since its inception.

II. History of S. 612

On March 16, 1989, Senator Sarbanes, for himself and Senators Mikulski, Robb, Warner, and Sasser, introduced S. 612 to amend the National Capital Transportation Act of 1969 (Public Law 91-143; 83 Stat. 320) to authorize the appropriation of up to $2.16 billion for the purpose of financing the construction of the full Adopted Regional System of 103.5 miles. The bill was assigned to the Committee on Governmental Affairs, Subcommittee on General Services, Federalism, and the District of Columbia.

The Subcommittee held a hearing on S. 612 on April 23, 1990 which was chaired by the Subcommittee Chairman, Senator Sasser. Testimony was received from the Honorable John Warner, Senator from Virginia; Mr. Brian Clymer, Administrator of the Urban Mass Transit Administration; and Ms. Carmen Turner, General Manager of the Washington Metropolitan Area Transit Authority.

Senator Warner Attested to the importance of S. 612 in carrying out the longstanding Federal commitment and realizing the full potential of Metrorail as a unified mass transit system serving our Nation's Capital. He expressed agreement that delays in providing authorized funding under Stark-Harris, including those occasioned by the Full Funding Agreement, have been a chief factor in the inability to complete Metro construction under Stark-Harris as intended. Senator Warner also submitted statements for the record in support of S. 612 from the Honorable Paul S. Sarbanes and Honorable Barbara A. Mikulski, Senators from Maryland; the Honorable Charles Robb, Senator from Virginia; and Honorable William Donald Scheafer, Governor of the State of Maryland; and the Honorable L. Douglas Wilder, Governor of the Commonwealth of Virginia.

Mr. Clymer testified on behalf of the Administration that further Metro construction should be included in the overall Urban Mass Transit construction program under Section 3 of the Urban Mass Transportation Act. It was Mr. Clymer's contention that the reasons for discrete funding of the Washington Metrorail are no longer applicable, and that Metro should compete for mass transportation funds along with other urban areas. He asserted that Metro has already received, since 1968, about $7.7 billion in Federal funding, and that the Administration believes local governments in the National Capital region should examine alternative local and private funding options more closely.

On the other hand, Ms. Turner, WMATA's General Manager, told the Subcommittee that completion of the full Adopted Regional System is critical to its continued successful operation and that it remains an appropriate subject for funding apart outside the Section 3 program. Ms. Turner cited Congress's role in mandating construction of Metro as a monumental system for the Nation's Capital, and Metro's vital role in the functioning of the Federal government and the movement of millions of tourists in Washington every year. The witness pointed out that half of the planned and existing Metrorail stations directly serve Federal facilities. Ms. Turner also cited the significant number of urban transit authorities from all over the United States which have written to Congress in support of continued separate funding for Metro.

With respect to Federal funding of Metro to date—estimated by the Administration at $7.7 billion—Ms. Turner noted that Metrorail construction had actually received only $3.7 billion in Federal grants. Another $2.2 billion represents funding slated for interstate highway construction in the Washington area, which had been transferred at the request of local governments from highway to transit construction. Ms. Turner asserted that a further $2.7 billion, claimed by the Administration as a Federal expediture, actually represents guarantees by the Federal government on outstanding bonds. The Federal share of these guarantees is $2 billion, most of which will not be due for another 20 years. Finally, Ms. Turner questioned the validity of comparisons between funding for Metro, which has been under construction for two decades, and for "new start" projects in other cities which have just begun.

The ranking Member of the Subcommittee, Senator Heinz, questioned the witnesses at length about the merits of the funding authorization contained in S. 612. Senator Heinz expressed concern about the continued high level of Federal funding proposed under S. 612 during a time of budgetary constraint. At the same time, he voiced reservations about merging Metro into the Section 3 mass transit program, especially if Section 3 funding were not increased to account for the presence of the Washington Metrorail.

Following the hearing on April 23, Senator Sasser circulated among members of the Subcommittee a proposed amendment to S. 612 in the nature of a substitute. The substitute added, after the authorization figure of $2.16 billion, the words, "with such amounts to be made available in increments for 11 fiscal years, or until expended, beginning in fiscal year 1991." This language comports with wording contained in H.R. 1463, the version of Metro reauthorization passed by the House of Representatives on March 28, 1990 by a vote of 260–150. It expresses the expectation and intent of Congress that completion of the Adopted Regional System should require funding for 11 fiscal years, but that the authorization should remain available until expended in the event that unforeseen construction delays persist.

The proposed Subcommittee substitute also added a "Buy-American" provision, requiring WMATA to report to Congress on contracts with foreign entities subject to the Buy American provisions of the Surface Transportation and Assistance Act of 1982 or the Surface Transportation and Uniform Relocation Assistance Act of 1987. This section reiterates WMATA's existing policy of compliance with such Buy American provisions, and also permits the Secretary of Transportation to bar from receiving a Federal contract for Metrorail any contractors who fraudulently affix a "Made in America" label to products sold in or shipped to the United States. The Subcommittee substitute also incorporated a restriction on Metrorail contract awards to foreign governments which discriminate against United States products or services. This, like the "Buy American" restriction, is consistent with language in H.R. 1463 as passed by the House of Representatives.

On April 25, 1990, the Subcommittee on General Services, Federalism, and the District of Columbia polled out the Sasser substitute amendment to S. 612 by a vote of 3–2.

IV. Committee Vote

The Committee on Governmental Affairs held a markup on S. 612 on May 8, 1990. The amendment in the nature of a substitute, proposed by Senator Sasser and polled out of subcommittee, was approved by voice vote, with Senator Roth requesting to be recorded as voting in the negative.

Senator Roth offered an amendment to the Committee substitute, on behalf of Senator Stevens, to provide that notwithstanding the provisions of S. 612 or any other law, no money shall be appropriated from the Highway Trust Fund for the purpose of making Federal grants for completion of Metrorail construction pursuant to S. 612. The Stevens amendment was adopted by a voice vote.

Senator Heinz next offered an amendment to the Committee substitute to change subsection (b)(2) of Section 17, as added by S. 612 to the National Capital Transportation Act of 1969. The Heinz amendment would have changed the minimum matching contribution of local participating governments to Metrorail construction under S. 612, expressed as a percentage of Federal grants, from "25 percent" to "50 percent." The practical effect of the Heinz amendment was to change the Federal/local funding ratio from 80/20 to 67/33, or from 4::1 to 2::1. The Heinz amendment to revise funding ratios was defeated by a vote of 7–5:

YEAS—5	NAYS—7
Roth	Levin
Rudman	Sasser
Heinz	Pryor
Stevens (proxy)	Bingaman
Wilson (proxy)	Kohl
	Lieberman
	Glenn

Senator Heinz offered an amendment to the Committee substitute, to require WMATA to submit a plan to the Secretary of Transportation regarding the use of innovative financing techniques and joint development activities on the construction of the Metrorail system. Senator Sasser expressed concern that a strict requirement of this nature could result in unreasonable delays in Federal funding for Metrorail at the discretion of Federal officials. The Heinz amendment was defeated by a vote of 7–3:

YEAS—3	NAYS—7
Roth	Levin
Heinz	Sasser
Wilson (proxy)	Pryor
	Bingaman
	Kohl
	Lieberman
	Glenn

Senator Sasser moved to report the bill in the form of the Committee substitute, as amended. The Committee agreed to report S. 612 favorably, as amended, by a vote of 8–3:

YEAS—8	NAYS—3
Levin	Roth
Sasser	Heinz
Pryor	Wilson (proxy) [1]
Bingaman	
Kohl	
Lieberman	
Glenn	
Stevens (proxy) [1]	

[1] By Committee rules proxy votes are counted for recording purposes only on final passage.

The text of S. 612, as reported, is as follows:

SEC. 1. SHORT TITLE.

This Act may be cited as the "National Capital Transportation Amendments Act of 1990".

SEC. 2. AMENDMENT TO NATIONAL CAPITAL TRANSPORTATION ACT OF 1969.

Effective October 1, 1990, the National Capital Transportation Act of 1969 (Public Law 91-143; 83 Stat. 320) is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF ADDITIONAL FEDERAL CONTRIBUTIONS FOR CONSTRUCTION

"SEC. 17. (a) The Secretary of Transportation is authorized to make grants to the Transit Authority, in addition to the contributions authorized by sections 3 and 14, for the purpose of financing in part the cost of construction of the Adopted Regional System.

"(b) Federal grants under subsection (a) for the Adopted Regional System shall be subject to the following limitations and conditions:

"(1) The work for which such grants are authorized shall be subject to the provisions of the Compact and shall be for projects included in the Adopted Regional System.

"(2) The aggregate amount of such Federal grants made during any fiscal year shall be matched by the local participating governments by payment of capital contributions for such year in a total amount that is not less than 25 percent of the amount of such Federal grants and shall be provided in cash from sources other than Federal funds or revenues from the operation of public mass transportation systems. Any public or private transit system funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or revenues available in cash, or new capital.

"(3) Such grants shall be subject to terms and conditions that the Secretary may deem appropriate for constructing the Adopted Regional System in a cost-effective manner.

"(c) In addition to funds authorized under section 14, there is authorized to be appropriated to the Secretary of Transportation for the purpose of making grants to complete the Adopted Regional System as provided in subsection (a) an aggregate amount not to exceed $2,160,000,000, with such amounts to be made available in increments for 11 fiscal years, or until expended, beginning in fiscal year 1991.

"(d) Amounts appropriated pursuant to the authorization under subsection (c)—

"(1) shall remain available until expended; and

"(2) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under the Urban Mass Transportation Act of 1964 and section 103(e)(4) of title 23, United States Code.".

SEC. 3. PROHIBITION OF USE OF HIGHWAY TRUST FUND.

Notwithstanding this Act, any amendment made by this Act, or any other law, no moneys shall be appropriated from the Highway Trust Fund for the purpose of making grants pursuant to section 17(c) of the National Capital Transportation Act of 1969.

SEC. 4. BUY-AMERICAN PROVISION.

(a) REPORT TO CONGRESS.—The Washington Metropolitan Area Transit Authority shall report to Congress (1) on contracts which the Transit Authority enters into with foreign entities with respect to its rail system in fiscal years 1991 and 1992 and which are subject to the Buy American provisions of the Surface Transportation and Assistance Act of 1982 or the Surface Transportation and Uniform Relocation Assistance Act of 1987, and (2) on the number of such contracts which meet the requirements of such provisions but which are determined by the United States Trade Representative to be in violation of the General Agreement on Tariffs and Trade or any other international agreement to which the United States is a party.

"(b) PROHIBITION AGAINST FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—If the Secretary of Transportation determines that any person intentionally affixes a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall declare that person ineligible to receive a Federal contract with the Washington Metropolitan Area Transit Authority for its rail system for a period of not less than 3 years and not more than 5 years. The Secretary may bring action against such person to enforce this subsection in any United States district court.

SEC. 5 RESTRICTIONS ON CONTRACT AWARDS.

No foreign government shall be eligible to receive a contract with the Washington Metropolitan Area Transit Authority for its rail system if that government unfairly maintains, in government procurement, a significant and pesistent pattern or practice of discrimination against

United States products or services which result in identifiable harm to United States businesses, as identified by the President pursuant to section 305(g)(1)(A) of the Trade Agreements Act of 1979.

V. Section-by-Section Analysis

SECTION 1. SHORT TITLE

This section states that the Act may be cited as the "National Capital Transportation Amendments Act of 1990."

SECTION 2. AMENDMENT TO NATIONAL CAPITAL TRANSPORTATION ACT OF 1969

This section adds a new section 17 to the National Capital Transportation Act of 1969 for the purpose of authorizing additional Federal funds for completing the Metrorail system in the National Capital region.

Subsection 17(a) authorizes the Secretary of Transportation to make grants to WMATA, in addition to those already authorized under the Act, to finance in part the cost of constructing the Adopted Regional System.

Subsection 17(b) subjects Federal grants under subsection 17(a) to certain limitations and conditions:

(1) Work funded by such grants is limited to the approved Adopted Regional System and other conditions of the interstate Compact among the District of Columbia, Maryland, Virginia, and the local signatory governments.

(2) Federal grants during any fiscal year are to be matched by capital contributions, from local participating governments, in an aggregate amount which is "not less than" 25 percent of the amount of the Federal grants. The local contribution must be in cash and cannot be paid from Federal sources or from operating revenues of public mass transit systems. Any public or private transit system funds so provided must be from undistributed cash surpluses, replacement or depreciation funds or revenues available in cash, or new capital.

(3) Federal grants are subject to conditions deemed appropriate by the Secretary of Transportation for cost-effective construction.

Section 17(c) authorizes additional appropriations to the Secretary of Transportation for the purpose of making grants to complete the Adopted Regional System, not to exceed $2.16 billion, such amounts to be made available in increments for 11 fiscal years or until expended, beginning in fiscal year 1991.

Section 17(d)(1) reiterates that funding authorized under subsection 17(c) is to be available until expended.

Section 17(d)(2) states that Federal funds provided by this bill are additional to, rather than in lieu of, any amounts otherwise available to WMATA under the Urban Mass Transition Act of 1964 or from interstate highway transfers.

SECTION 3. PROHIBITION OF USE OF HIGHWAY TRUST FUND

This section provides that no appropriations may be made from money in the Highway Trust Fund for the purpose of funding Metrorail construction authorized by S. 612.

SECTION 4. BUY-AMERICAN PROVISION

Section 4(a)(1) requires WMATA to report to Congress on contracts it enters into in fiscal years 1991 and 1992, with foreign entities, subject to the Buy American provisions of the Surface Transportation and Assistance Act of 1982 or the Surface Transportation and Uniform Relocation Assistance Act of 1987. This language underscores WMATA's current policy of compliance with such Buy American provisions. Section 4(a)(2) permits the Secretary of Transportation to bar from receiving a Federal contract for Metrorail, for a period of 3 to 5 years, any contractor who fraudulently affixes a "Made in America" label to products sold in or shipped to the United States.

SECTION 5. RESTRICTIONS ON CONTRACT AWARDS

Section 5 bars foreign government enterprises from receiving contract awards for Metrorail, if such government in its own procurement practices a significant and persistent pattern of discrimination against United States products or services.

IV. Matters Required To Be Discussed Under Senate Rules

A. COMMITTEE CONSIDERATION OF S. 612

The Committee met on May 8, 1990 to consider S. 612 Senator Sasser offered an amendment in the nature of a substitute for the bill. Upon the Chairman's motion, the Sasser amendment was adopted by a voice vote; Senator Roth requested to be recorded as voting nay on the amendment.

Senator Roth, for Senator Stevens, offered an amendment to prohibit use of money from the Highway Trust Fund for Metro construction. This amendment was adopted by a voice vote.

Senator Heinz offered an amendment to raise the minimum matching funding by local participating governments, from 25 percent of the amount of Federal funding to 50 percent. The amendment was defeated by a vote of 7–5. Senator Heinz also offered an amendment to require WMATA to submit a plan to the Department of Transportation for using "innovating financing techniques and joint development activities" to fund Metro construction. This amendment was defeated by a vote of 7–3.

Upon a further motion by Senator Sasser, the bill as amended was ordered reported by a vote of 8–3.

B. COST OF THE LEGISLATION

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 9, 1990.

Hon. JIM SASSER,
Chairman, Subcommittee on General Services, Federalism, and the District of Columbia, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: At your request, the Congressional Budget Office has prepared the attached cost estimate for S. 612, the National Capital Transportation Amendments of 1990.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT F HALE
(For Robert D. Reischauer).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S 612.

2. Bill title: National Capital Transportation Amendments of 1989.

3. Bill status: As ordered reported by the Senate Committee on Governmental Affairs on May 8, 1990.

4. Bill purpose: S. 612 would authorize additional appropriations of $2.16 billion for federal grants to the Washington Metropolitan Area Transit Authority for construction of the Washington Metrorail system. The bill provides that this amount is to be made available in increments for 11 fiscal years, or until expended, beginning in fiscal year 1991.

The National Capital Transportation Amendments of 1979 (Public Law 96-184) authorized $1.7 billion for Metro construction grants. Since that time, $1.6 billion has been appropriated, including $85 million for fiscal year 1991, leaving $108 million still available for appropriation. These funds are only available for completion of 89.5 miles of the Metrorail system, but the jurisdictions participating in Metrorail construction have agreed to a 103-mile system. The Administration has requested an appropriation of $38 million for fiscal year 1991.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1991	1992	1993	1994	1995
Authorization level	98	206	206	206	206
Estimated outlays	2	14	44	86	127

The costs of this bill fall within budget function 400.

Basis of estimate: This estimate assumes that S. 612 would be enacted before the end of fiscal year 1990 and that the full amount authorized would be appropriated over 11 years, as specified by the bill. The annual appropriations projected in the estimate assume

equal funding in each year. For fiscal year 1991, we assumed that the amount appropriated would include the remaining $108 million from the previous authorization.

6. Estimated cost to State and local governments: S. 612 would require that local participating governments match these federal grants at a rate of 20 percent of the total cost.

7. Estimate comparison: None.

8. Previous CBO estimate: CBO prepared a cost estimate for a similar bill, H.R. 1463, as ordered reported by the House Committee on the District of Columbia, March 22, 1990. That estimate was transmitted on March 22, 1990. The two bills authorize the same amount for Metrorail construction, and the estimated costs are identical.

9. Estimate prepared by: Marjorie Miller.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

C. EVALUATION OF REGULATORY AND PAPERWORK IMPACT

Pursuant to the requirements of paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory and paperwork impact of S. 612. It has also considered the bill's impact on the privacy of individuals or firms doing business with the Federal Government. The Commitee's evaluation under paragraph 11(b) must include the four elements listed below.

1. An estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses. S. 612 would not result in any additional regulation of individuals and businesss.

2. A determination of the economic impact of such regulation on the individuals, consumers, and businesses affected. Not applicable.

3. A determination of the impact on the personal privacy of the individual affected. Not applicable.

4. A determination of the amount of additional paperwork that will result from the regulations to be promulgated pursuant to the legislation, including estimates of the amount of time and financial cost required of affected parties, as well as reasonable estimates of the recordkeeping requirments that may be associated with the legislation. Essentially, no additional paperwork is imposed upon the public by S. 612.

ADDITIONAL AND MINORITY VIEW OF SENATOR JOHN HEINZ

As reported, this legislation faces a very uncertain future. Its authorization of $2.1 billion in federal funds, matched by only 20 percent in non-federal funds, to complete the Washington area's rail sysem raises very basic questions of fairness.

Federal support for mass transit is important for the mobility of millions of working Americans, the elderly, the poor, and our children. It ought to be a viable component of our strategy to achieve our clean air goals—reducing ozone and CO2 emissions in and around our largest urban areas.

Notwithstanding this critical need for federal support of mass transit, S. 612 provides special and excessively favorable treatment for one transit agency—the Washington Metropolitan Area Transit Agency (WMATA). While WMATA is asking for a new deal for it alone, every other transit system is playing 52-card pick-up from a different deck of cards—a deck of cards that recognizes an era of tight budget constraints.

During the course of the hearing on this legislation, three main issues were debated:

(1) THE SIZE OF THE NON-FEDERAL MATCH

While every other local transit system is paying ever increasing non-fedeal matches of projects (as high as 50 percent or more), S. 612 authorizes the non-federal match for WMATA at 20 percent.

(2) THE CREATION OF A SEPARATE AUTHORIZATION

Every other local transit sysem's capital funding is paid out of the Mass Transit Trust Fund. S. 612 continues WMATA's source of funding from general revenues

(3) THE LENGTH OF THE AUTHORIZATION

While every other federal transit program is authorized every five years, WMATA would get eleven.

WMATA's system is one of the best in the world. As the transit system for the Nation's Capital that is as it should be. WMATA serves above all the federal government, so there is a compelling federal interest in its completion.

At the same time, it needs to be recognized that the present budget circumstances are far different than ten years ago when WMATA received its original authorization.

The non-federal match authorized in S. 612 is far too low and in no way reflects current budget circumstances. I intend to address this on the Senate floor.

JOHN HEINZ.

ADDITIONAL VIEWS OF SENATOR LEVIN

A separate authorization bill for the Washington Metrorail System will enable the system to be completed without jeopardizing funding for mass transit projects across the nation. Less would be available for other worthy transit projects if they had to compete for funding with Washington Metrorail. For this reason, local transit agencies across the country, and in my state of Michigan, have endorsed this legislation. Currently, eight transit projects in Michigan have applied for funding from the same source on which Metro would have had to rely without a separate authorization bill.

Funding for the Washington Metrorail will still be subject to the annual budget process. This bill only provides the authority to complete the system that the federal government started under the Eisenhower Administration.

As I said when the Committee considered an amendment offered by Senator Heinz to change the minimum local matching contribution, I believe that a higher minimum local contribution is appropriate given the federal budget deficit and recent funding trends for transit projects across the nation. While most federally funded public transit projects constructed in the last decade included the same local contribution level required in S. 612, transit projects have increasingly included a higher local contribution.

I said I wanted to revisit this issue of funding level on the floor. Because an agreement on the level of that increase has not been reached, Senator Heinz has indicated he will renew an amendment to increase the minimum local contribution on the Senate floor. I intend to support Senator Heinz' amendment.

CARL LEVIN.

V. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the statutory provisions of the bill are as follows (existing law provisions to be omitted are enclosed in brackets, new material is printed in italic, and existing law in which no change is proposed is shown in roman):

SECTION 17 OF THE NATIONAL CAPITAL TRANSPORTATION ACT OF 1969

(Public Law 91-143; 83 Stat. 320)

SEC. 17. (a) The Secretary of Transportation is authorized to make grants to the Transit Authority, in addition to the contributions authorized by sections 3 and 14, for the purpose of financing in part the cost of construction of the Adopted Regional System.

(b) Federal grants under subsection (a) for the Adopted Regional System shall be subject to the following limitations and conditions:

(1) The work for which such grants are authorized shall be subject to the provisions of the Compact and shall be for projects included in the Adopted Regional System.

(2) The aggregate amount of such Federal grants made during any fiscal year shall be matched by the local participating governments by payment of capital contributions for such year in a total amount that is not less than 25 percent of the amount of such Federal grants and shall be provided in cash from sources other than Federal funds or revenues from the operation of public mass transportation systems. Any public or private transit system funds so provided shall be solely from undistributed cash surpluses, replacement of depreciation funds or revenues available in cash, or new capital.

(3) Such grants shall be subject to terms and conditions that the Secretary may deem appropriate for constructing the Adopted Regional System in a cost-effective manner.

(c) In addition to funds authorized under section 14, there is authorized to be appropriated to the Secretary of Transportation for the purpose of making grants to complete the Adopted Regional System as provided in subsection (a) an aggregate amount not to exceed $2,160,000,000, with such amounts to be made available in increments for 11 fiscal years, or until expended, beginning in fiscal year 1991.

(d) Amounts appropriated pursuant to the authorization under subsection (c)—

(1) shall remain available until expended; and

(2) Shall be in addition to, and not in lieu of, amounts available to the Transit Authority under the Urban Mass Transportation Act of 1964 and section 103(e)(4) of title 23, United States Code.

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